

# SENATE BILL NO. 297

April 26, 2023, Introduced by Senators RUNESTAD, JOHNSON and BELLINO and referred to the Committee on Government Operations.

A bill to amend 1939 PA 3, entitled

"An act to provide for the regulation and control of public and certain private utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers; to provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; to create a public service commission and to prescribe and define its powers and duties; to abolish the Michigan public utilities commission and to confer the powers and duties vested by law on the public service commission; to provide for the powers and duties of certain state governmental officers and entities; to provide for the continuance, transfer, and completion of certain matters and proceedings; to abolish automatic adjustment clauses; to prohibit certain rate increases without notice and hearing; to

qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts,"

by amending sections 1 and 2 (MCL 460.1 and 460.2).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1. **(1)** ~~A commission to be known and designated as the~~  
2 ~~"Michigan public service commission" is hereby created, which~~ **The**  
3 **Michigan public service commission is created in the department of**  
4 **licensing and regulatory affairs.**

5           **(2)** **Before January 1, 2025, the commission** shall consist of 3  
6 members, not more than 2 of whom ~~shall be~~ **are** members of the same  
7 political party, appointed by the governor with the advice and  
8 consent of the senate. **Beginning January 1, 2025, the existing**  
9 **appointed Michigan public service commission is abolished and**  
10 **replaced with a nonpartisan elected Michigan public service**  
11 **commission as provided in chapter VIA of the Michigan election law,**  
12 **1954 PA 116, MCL 168.87 to 168.87n.**

13           **(3)** Each member ~~shall of the commission must~~ be a citizen of  
14 the United States, ~~and a resident of the this~~ state, ~~of Michigan,~~  
15 ~~and no member of said commission shall not~~ be pecuniarily  
16 interested in any public utility or ~~public service~~ **person** subject  
17 to the jurisdiction and control of the commission.

18           **(4)** During ~~his~~ **a member's** term, ~~no~~ **a** member shall **not** serve as  
19 an officer or committee member of any political party organization,  
20 ~~or~~ hold any office, or be employed by any other commission, board,  
21 department, or institution in this state. ~~No commission~~

1           **(5) A member of the commission shall not** be retained or  
 2 employed by any public utility or ~~public service person~~ subject to  
 3 the jurisdiction and control of the commission ~~during the time he~~  
 4 **while the member** is acting as such ~~commissioner,~~ and ~~a member of~~  
 5 **the commission and** for 6 months ~~thereafter,~~ and ~~no after that time.~~

6           **(6) A member of the commission** ~~,~~ who is a member of the ~~bar of~~  
 7 ~~the state~~ **State Bar** of Michigan ~~,~~ shall **not** practice his profession  
 8 **law** or act as counselor or attorney in any court of this state  
 9 ~~during the time he~~ **while the individual** is a member of ~~said the~~  
 10 commission.  ~~: Provided, however, This shall~~

11           **(7) This section does** not require any commissioner to retire  
 12 from ~~,~~ or dissolve any partnership ~~,~~ of which ~~he~~ **the individual** is  
 13 a member, but ~~said the~~ partnership ~~,~~ while ~~he is a member of the~~  
 14 ~~commission,~~ shall **must** not engage in public utility practice ~~.~~  
 15 ~~Immediately upon the taking effect of this act, the offices of the~~  
 16 ~~present members of the Michigan public service commission are~~  
 17 ~~hereby abolished, and the members of the Michigan public service~~  
 18 ~~commission as herein created shall be appointed by the governor~~  
 19 ~~with the advice and consent of the senate, for terms of 6 years~~  
 20 ~~each: Provided, That of the members first appointed, 1 shall be~~  
 21 ~~appointed for a term of 2 years, 1 for a term of 4 years, and 1 for~~  
 22 ~~a term of 6 years. Upon the expiration of said terms successors~~  
 23 ~~shall be appointed with like qualifications and in like manner for~~  
 24 ~~terms of 6 years each, and until their successors are appointed and~~  
 25 ~~qualified. Vacancies shall~~ **while the individual is a member of the**  
 26 **commission.**

27           **(8) Before January 1, 2025, vacancies must** be filled in the  
 28 same manner as is provided for appointment in the first instance.  
 29 **Beginning January 1, 2025, vacancies must be filled as provided in**

1 **section 87l of the Michigan election law, 1954 PA 116, MCL 168.87l.**

2       Sec. 2. (1) Members of ~~said-the~~ commission shall qualify by  
3 taking and subscribing to the constitutional oath of office. ~~and~~  
4 ~~shall hold office until the appointment and qualification of their~~  
5 ~~successor. The~~

6       (2) **Before January 1, 2025, the** governor shall designate 1  
7 member to serve as ~~chairman~~**chairperson** of the commission. Any  
8 **Beginning January 1, 2025, the members of the commission shall**  
9 **select the chairperson of the commission.**

10       (3) **The governor may remove any** member of the commission ~~may~~  
11 ~~be removed by the governor for~~ misfeasance, malfeasance, or  
12 nonfeasance in office after **a** hearing.

13       (4) A vacancy in the commission ~~shall~~**does** not impair the  
14 right of the 2 remaining members to exercise all the powers of the  
15 commission. Two members of the commission shall ~~at all times~~  
16 constitute a quorum.

17       (5) The commission shall adopt an official seal ~~of~~ of which all  
18 the courts shall take judicial notice and proceedings, **and from**  
19 **which** orders and decrees may be authenticated. ~~thereby. It shall be~~  
20 ~~the duty of the~~

21       (6) **The** board of state auditors ~~to~~**shall** provide suitable  
22 offices, supplies, and equipment for ~~said-the~~ commission in the  
23 city of Lansing. ~~the~~**The** expenses ~~thereof to~~**of the commission**  
24 **shall** be audited, allowed, and paid in ~~such-a~~ manner and ~~out of~~  
25 ~~such~~**from** funds as ~~may be~~ provided by law.

26       Enacting section 1. This amendatory act does not take effect  
27 unless Senate Bill No. 298 of the 102nd Legislature is enacted into  
28 law.